

**Order of the           Kittitas           County**  
**Board of Equalization**

Property Owner: Graf Investments, Inc. c/o Richard Graf  
Parcel Number(s): 733534  
Assessment Year: 2017 Petition Number: BE-170031  
Date(s) of Hearing: 4-9-18

Having considered the evidence presented by the parties in this appeal, the Board hereby:

sustains       overrules      the determination of the assessor.

**Assessor's True and Fair Value**

<input checked="" type="checkbox"/> Land	\$	<u>135,000</u>
<input checked="" type="checkbox"/> Improvements	\$	<u>1,605,000</u>
<input type="checkbox"/> Minerals	\$	<u>                    </u>
<input type="checkbox"/> Personal Property	\$	<u>                    </u>
Total Value	\$	<u>\$1,740,000</u>

**BOE True and Fair Value Determination**

<input type="checkbox"/> Land	\$	<u>                    </u>
<input type="checkbox"/> Improvements	\$	<u>                    </u>
<input type="checkbox"/> Minerals	\$	<u>                    </u>
<input type="checkbox"/> Personal Property	\$	<u>                    </u>
Total Value	\$	<u>                    </u>

This decision is based on our finding that:

The issue before the Board is the assessed value of land/improvements.

A hearing was held on April 9, 2018. Those present: Ann Shaw, Reta Hutchinson, Clerk Debbie Myers, Appraiser Mark Peterson, and Appellant's representative Jacquie Matson.

Appellant's representative Jacquie Matson discussed the apartment buildings, income statements, rents, and expenses. She reviewed the national averages and report which is sent out each year. She said they used the cap rate model from the Assessor's office and discussed the differences and similarities of the duplexes and the apartments, and building foundations. She provided actual expenses of the properties.

Appraiser Mark Peterson said the market over the past five years has been very good, and reviewed the comparable sales they provided. He discussed the differences of the owners and assessors per square foot of the building. He said the cap rates they used differ for the year of the building. He also reviewed the exhibits provided.

There was discussion on the foundations and condition of the buildings, different cap rates, Assessor's model, expenses, and the challenges of keeping water out when located near creeks.

The cash flow detail that was provided by the Petitioner at the hearing would be helpful to the Assessor in the data collection process for determining the market statistics for their model. The cash flow analysis includes expenses that are not fully identified. The Board needs specific details on which expenses were included on the cash flow analysis in order to evaluate if the analysis is consistent with the model and also supporting comparable sales to justify the contested value. The law reads that the valuation that is determined by the income approach must be validated and compared to the recent comparable sales. Given this information the Board has upheld the Assessor's valuation. The Board of Equalization voted 2-0 to sustain the Assessor's determination.

Dated this 15<sup>th</sup> day of May, (year) 2018

Ann Shaw  
Chairperson's Signature

Debbie Meyer  
Clerk's Signature

<b>NOTICE</b>
This order can be appealed to the State Board of Tax Appeals by filing a formal or informal appeal with them at PO Box 40915, Olympia, WA 98504-0915 or at their website at <a href="http://bta.state.wa.us/appeal/forms.htm">bta.state.wa.us/appeal/forms.htm</a> within thirty days of the date of mailing of this order. The appeal forms are available from either your county assessor or the State Board of Tax Appeals.

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